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## **CP18/8: PSR REGULATORY FEES**

The Cheque and Credit Clearing Company (C&CCC) welcomes the opportunity to respond to the PSR Regulatory Fees Consultation (CP18/8).

### **Background**

The Cheque and Credit Clearing Company (C&CCC) was established in 1985 and, from that time until the present day, is proud of its record in providing members with the central payment system services for the exchange and settlement of cheques and credits.

Our objective is to ensure that cheques and credits remain a viable, secure and efficient choice of payment for all users. To achieve this we promote innovation and competition in payment choice by driving improvements in processing, service and efficiency, and provide a trusted centre of excellence for anyone with an interest in cheques or credits.

In the evolving payments landscape, cheques and credits remain a preferred and trusted payment option among certain groups and for certain types of payment. For example, cheques remain a convenient way for businesses to pay a trade supplier and manage cash flow, and amongst consumers, are a popular way to pay utility bills, tradespeople and clubs or societies. In the past year, nearly three-quarters of UK charities and two-thirds of UK businesses both received and made payments by cheque over a monthly period. In total, the C&CCC cleared 293 million inter-bank cheques in 2017, with a total value of just over £356 billion.

C&CCC has delivered the Image Clearing System (ICS), which will bring the cheque into the digital age via the implementation of an image-based cheque clearing process in the UK.

A full account of our background and objectives can be found on our [website](#), as can more information on the [Image Clearing System](#).



### **Response**

The PSR have proposed a definition for the transactions processed through both cheque clearing systems:

All transactions for GBP, USD and EUR processed through the C&C regulated payment system. This includes 'in clearing' and 'out clearing' transactions in paper based clearing, and the initiation and the receipt in the transfer of funds in image based clearing.

We agreed with the PSR back in March 2017 to exclude Euro and Dollar transactions from all statistics sharing for the purposes of PSR Fees so ask for this to be removed from the definition.

In order to avoid confusion by including the word 'initiation' (this is an ICS term for starting the process for clearing a cheque), we would recommend this definition changes to:

All transactions for GBP processed through the C&CC regulated payment system. This includes 'in clearing' and 'out clearing' transactions in paper based clearing, and the payment and receipt in the transfer of funds in image based clearing.

C&CCC recognises and supports the PSR's proposed changes to fees rules outlined in the document as a result of the PSR's decision to change its method of fees collection, and looks forward to working closely with the PSR going forward.

### **Confidentiality**

C&CCC is content for this letter to be made available to the public. We will be making it available through our website.

Yours faithfully,

Alan McDonald  
Managing Director